



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

AUG 14 2002

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

CERTIFIED MAIL #
RETURN RECEIPT REQUESTED

Mr. Dale Vander Pol
Lyondell-Citgo Refining LP
12000 Lawndale
Houston, Texas 77017

Re: Audit Policy Notice of Determination
EPA File Number AED/MSEB # 6079

Dear Mr. Vander Pol,

On December 19, 2001 Lyondell-Citgo Refining (Citgo) notified the U.S. Environmental Protection Agency (EPA) that it may have violated the reformulated gasoline regulations found at 40 CFR § 80.78 by transporting non-conforming RFG to a terminal in Pasadena, Texas, which is an RFG covered area.

EPA's Audit Policy Determination

EPA issued the Audit Policy ("Incentives for Self-Policing: Discovery, Disclosure, Correction, and Prevention of Violations," 65 Fed. Reg. 19,618, April 11, 2000) to encourage regulated entities to conduct voluntary compliance evaluations and to disclose and promptly correct violations. As an incentive for companies to undertake self-policing, self-disclosure, and self-correction of violations, EPA may substantially reduce or eliminate gravity-based civil penalties.

In December of 2001, Citgo produced a batch of RFG that was below the valid range limit for E300 and allowed it to leave the refinery via pipeline to a Motiva Terminal in Pasadena, Texas. Citgo discovered the error before the gasoline had left the terminal, however, and immediately took action in conjunction with Motiva to ensure that the off spec RFG did not enter the stream of commerce. Through prompt notification of the EPA field office in Denver and a request for instruction, Citgo was able to correct the error before any harm to the environment occurred as a result of these violations.

Pursuant to the Audit Policy, and based upon the information provided by Respondent, EPA has determined that Citgo has met all of the conditions of the Audit Policy for the violations disclosed by Respondent on December 19, 2001, and thus is eligible for a waiver of the total

gravity-based civil penalty for the disclosed violations. Furthermore, no significant economic benefit of noncompliance has accrued to Citgo as a result of the violations described herein. Therefore, EPA will not assess a civil penalty against Citgo for the disclosed violations.

Reservation of Rights

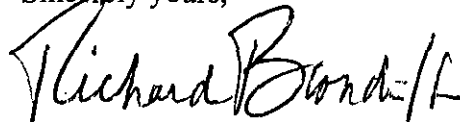
If any of the information or statements provided by Citgo upon which this Notice of Decision (NOD) or civil penalty mitigation is based was materially false or inaccurate, EPA reserves the right to revoke this NOD, and to assess all appropriate civil penalties. Such revocation shall be in writing and shall become effective upon receipt by Citgo.

Nothing herein shall be construed to limit the authority of the EPA and/or the United States to undertake action against any person, including Citgo, in response to any conditions which EPA or the United States determines may present an imminent and substantial endangerment to the public health, welfare, or the environment. Furthermore, issuance of this NOD does not constitute a waiver by EPA and/or the United States of its right to bring an enforcement action, either civil or criminal, against Citgo for any other violation of any federal or state statute, regulation, or permit.

Should you have any questions regarding this notice, please contact the EPA attorney designated below:

Erv Pickell
U.S. Environmental Protection Agency
Mobile Source Enforcement Branch
Air Enforcement Division
12345 W. Alameda Parkway, Suite 214
Denver, CO 80228
Phone Number: (303) 236-9506

Sincerely yours,

A handwritten signature in black ink, appearing to read "Richard Bond" followed by a stylized flourish or initials.

Bruce C. Buckheit, Director
Air Enforcement Division
Office of Enforcement and Compliance Assurance